

TEXAS

1991 MULTI-ELEMENT COST STUDY

OVERVIEW

The Texas 1991 Multi-Element Cost Study identifies the current directly assigned nonrecurring and applicable network access costs to install, disconnect, move, change and rearrange products and services in the following service order categories: Standard Residence, Standard Business, and Complex.

Standard Residence and Standard Business applies to: services with direct access to the exchange network--that is, excluding access via an auxiliary interface such as a switchboard, key system, PBX system, etc., and which are normally terminated on the customer's premises in a non-button or single button telephone instrument. Standard Business also includes Semi-Public and Private Coin services.

Complex applies to services with direct access to the exchange network and which are normally terminated on the customer's premises in telephone instruments other than non-button or single button sets; and services with indirect access to the exchange network through an auxiliary interface such as a switchboard, key system, PBX system, etc.

METHODOLOGY OVERVIEW

Within the three service order classifications i.e., Standard Residence, Standard Business and Complex, the Multi-Element cost study develops, as applicable, the current directly assignable nonrecurring costs for the following three elements associated with the installation, move, change and rearrangement of products and services:

- Service Order
- Trip
- Central Office Access

The three cost elements were developed as follows:

Service Ordering - Stated on a per service order basis. This cost element includes the service order related expenses incurred by affected departments for initiating, processing and completing a customer initiated service order. These costs were identified for the Service Center, Comptrollers, Directory White Pages, Network Line & Number, Assignment, and Intercept Departments.

Within the Service Order element, costs are developed for Primary and Secondary Service Orders. Primary Service Orders include New Connect, Disconnect, Outside Move (F&T) and Change Telephone Number orders while Secondary Service Orders include Inside Move, Change Equipment and Change Service orders.

Trip - Stated on a per trip basis. This element includes the cost of the technicians time expended in traveling to and between jobs.

Central Office Access - Stated on a per access line basis, this element includes the costs incurred in establishing an access line between the central office and the customer's premises. The central office access cost element includes five cost components: dispatching service order, technician's Field Cross Connect Time, Central Office Cross Connection effort, the effort associated with installing a Network Interface and the time associated with the completion of an order.

The following is a brief description of each of the cost components identified in the study:

A. Service Center

This cost component consists of the service representatives' labor expense while negotiating a customer's requirements for our products and services as well as typing, reviewing and performing clerical functions to process service orders at the Service Center.

B. Comptrollers

Service order related costs in the Comptrollers department include the salary and data processing expenses associated with the operation of the computer system that distributes service orders to the appropriate departments and maintains customer records.

C. Directory-White Pages

Nonrecurring service order related directory costs consist of salaries, data processing and other expenses associated with the insertion or deletion of listings in the White Pages directories.

D. Network Administration-Line & Number

The nonrecurring costs for this component consist of salaries and data processing expenses incurred to administer and provide the assignment of available central office equipment (telephone numbers).

E. Intercept

This cost component includes the salaries and data processing expenses associated with the provision of Intercept service for Access Line disconnects, Number Changes, Temporary Suspensions, Temporary Denials for Non-payment, and Change Transfer of Calls.

F. Central Office Cross Connect

Identified in this component are the labor costs incurred to perform cross connections, and related test work at the central office main distributing frame and line equipment frame as well as the data processing cost associated with the operation of the Memory Management System (MMS) in ESS Central Offices.

G. Assignment

Included in this component are the labor and data processing costs associated with the assignment of outside plant and central office facilities.

H. Field Cross Connect

The Field Cross Connect costs include the installer's work effort expended in the performance of outside plant cross connections and line and station transfers. The travel associated with the cross connect work is also included. Labor and material costs to place a drop wire are not included.

I. Network Interface

This component consists of the material and labor costs associated with the installation of a Network Interface jack at the customer's premises.

J. Dispatch

Included in the Dispatch component are data processing costs associated with the system used for dispatching service orders to installers.

K. Trip

Trip costs are based on the average time expended by an installer traveling to and between jobs.

L. Completion Recording

This component includes the costs associated with service order completion reporting and administrative work performed by the technician.

TEXAS
MULTI-ELEMENT
1991
COST SUMMARY

COST ELEMENT

SERVICE ORDER CLASSIFICATION

	<u>Residence</u>		<u>Standard Business</u>		<u>Complex Business</u>	
	<u>Primary</u>	<u>Secondary</u>	<u>Primary</u>	<u>Secondary</u>	<u>Primary</u>	<u>Secondary</u>
1. <u>SERVICE ORDERING</u>						
Service Center	\$ 10.20	\$ 5.32	\$ 9.61	\$ 5.38	\$ 48.10	\$ 17.96
Comptrollers	.86	.45	.80	.45	1.21	.45
Directory	.46	--	.43	--	.64	--
Network Administration	2.42	1.26	2.25	1.26	3.37	1.26
Intercept	.12	--	.12	--	.12	--
Assignment	4.94	.06	5.87	.50	5.97	.91
Total	\$ 19.00	\$ 7.09	\$ 19.08	\$ 7.59	\$ 59.41	\$ 20.58
2. <u>TRIP</u>	\$ 14.60		\$ 15.93		\$ 19.91	
3. <u>CENTRAL OFFICE ACCESS</u>						
Field Cross Connect & Associated Travel	\$ 5.82		\$ 5.82		\$ 14.01	
Network Interface	.43		1.37		3.36	
Dispatch	.04		.05		.10	
C.O. Cross Connections	3.43		3.86		3.86	
Order Completion	.78		.96		1.87	
Total	\$ 10.50		\$ 12.06		\$ 23.20	

COST RESULTS SUMMAR
RESIDENCE

SHEET: 1 of 3
DATE: 8/89

LINE	ITEM	SOURCE	AMOUNT
SERVICE ORDERING			
SERVICE CENTER			
1.	- PRIMARY	F100, L13	\$10.20
2.	- SECONDARY	F100, L31	\$5.32
COMPTROLLERS			
3.	- PRIMARY	F200, L13	\$0.86
4.	- SECONDARY	F200, L31	\$0.45
DIRECTORY WHITE PAGES			
5.	- PRIMARY	F300, L35	\$0.46
6.	- SECONDARY		--
NETWORK LINE & NO.			
7.	- PRIMARY	F500, L13	\$2.42
8.	- SECONDARY	F500, L31	\$1.26
ASSIGNMENT			
9.	- PRIMARY	F600, L13	\$4.94
10.	- SECONDARY	F600, L31	\$0.06
INTERCEPT			
11.	- PRIMARY	F700, L7	\$0.12
12.	- SECONDARY		--
13.	TRIP	F1103, L14	\$14.60
CENTRAL OFFICE ACCESS			
14.	-FIELD CROSS CONNECT/TRIP	F800, L40 + L43	\$5.82
15.	-NETWORK INTERFACE	F900, L45	\$0.43
16.	-DISPATCH	F1000, L12 + L17	\$0.04
17.	-C.O. CROSS CONNECT	F400A, PG1, COL D + F400A, PG2, COL D	\$3.43
18.	-ORDER COMPLETION	F1200, L28 + L31	\$0.78

COST RESULTS SUMMAR
STANDARD BUSINESS

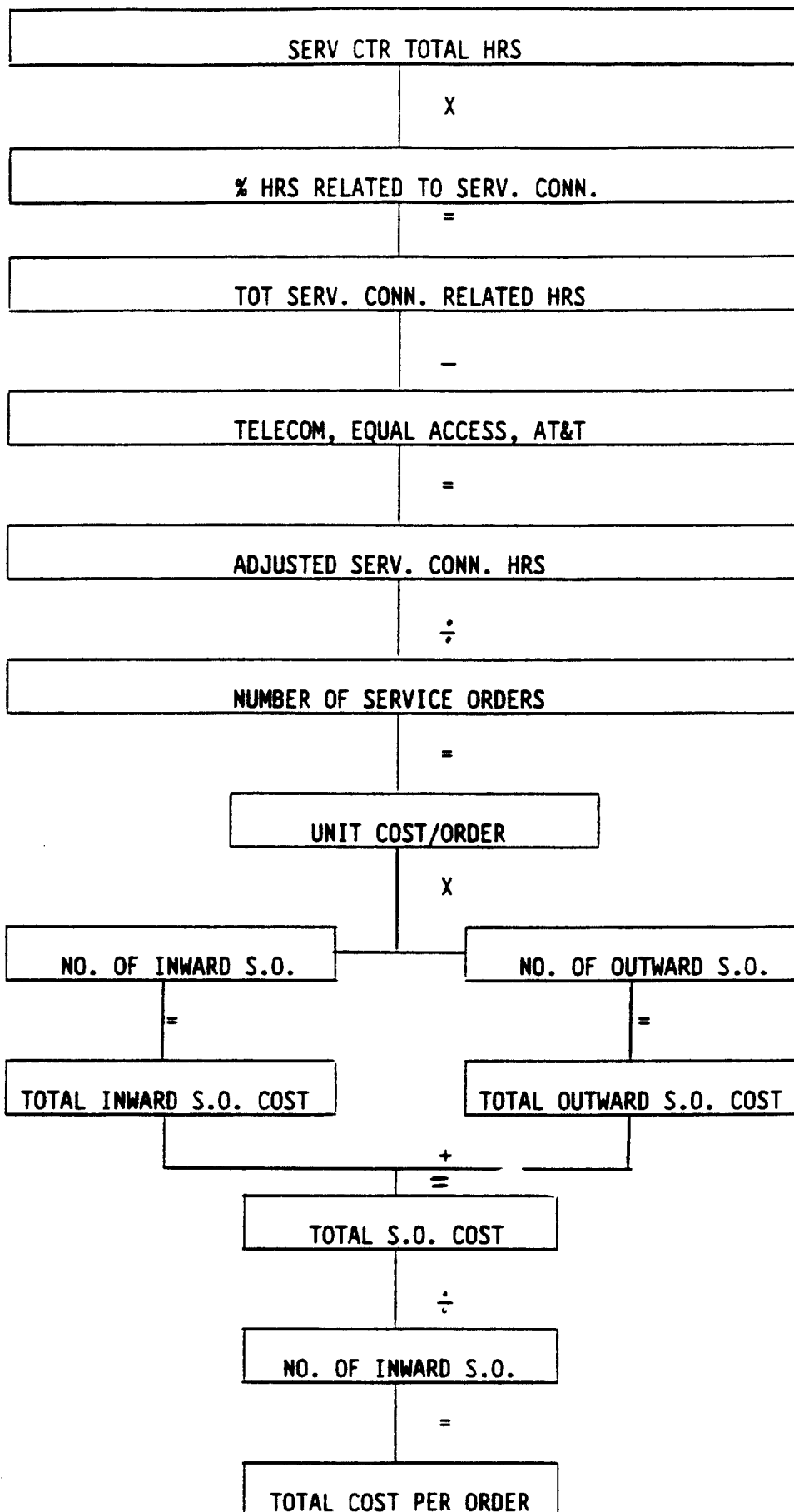
SHEET: 2 of 3
DATE: 8/89

LINE	ITEM	SOURCE	AMOUNT
SERVICE ORDERING			
SERVICE CENTER			
1.	- PRIMARY	F100A, L13	\$9.61
2.	- SECONDARY	F100A, L31	\$5.38
COMPTROLLERS			
3.	- PRIMARY	F200A, L13	\$0.80
4.	- SECONDARY	F200A, L31	\$0.45
DIRECTORY WHITE PAGES			
5.	- PRIMARY	F300, L36	\$0.43
6.	- SECONDARY		--
NETWORK LINE & NO.			
7.	- PRIMARY	F500A, L13	\$2.25
8.	- SECONDARY	F500A, L31	\$1.26
ASSIGNMENT			
9.	- PRIMARY	F600A, L13	\$5.87
10.	- SECONDARY	F600A, L31	\$0.50
INTERCEPT			
11.	- PRIMARY	F700, L7	\$0.12
12.	- SECONDARY		--
13.	TRIP	F1103, L15	\$15.93
CENTRAL OFFICE ACCESS			
14.	-FIELD CROSS CONNECT/TRIP	F800, L41 + L44	\$5.82
15.	-NETWORK INTERFACE	F900, L46	\$1.37
16.	-DISPATCH	F1002, L7 + L8	\$0.05
17.	-C.O. CROSS CONNECT	F400A, PG3, COL D + F400A, PG4, COL D	\$3.86
18.	-ORDER COMPLETION	F1202, L7 + L8	\$0.96

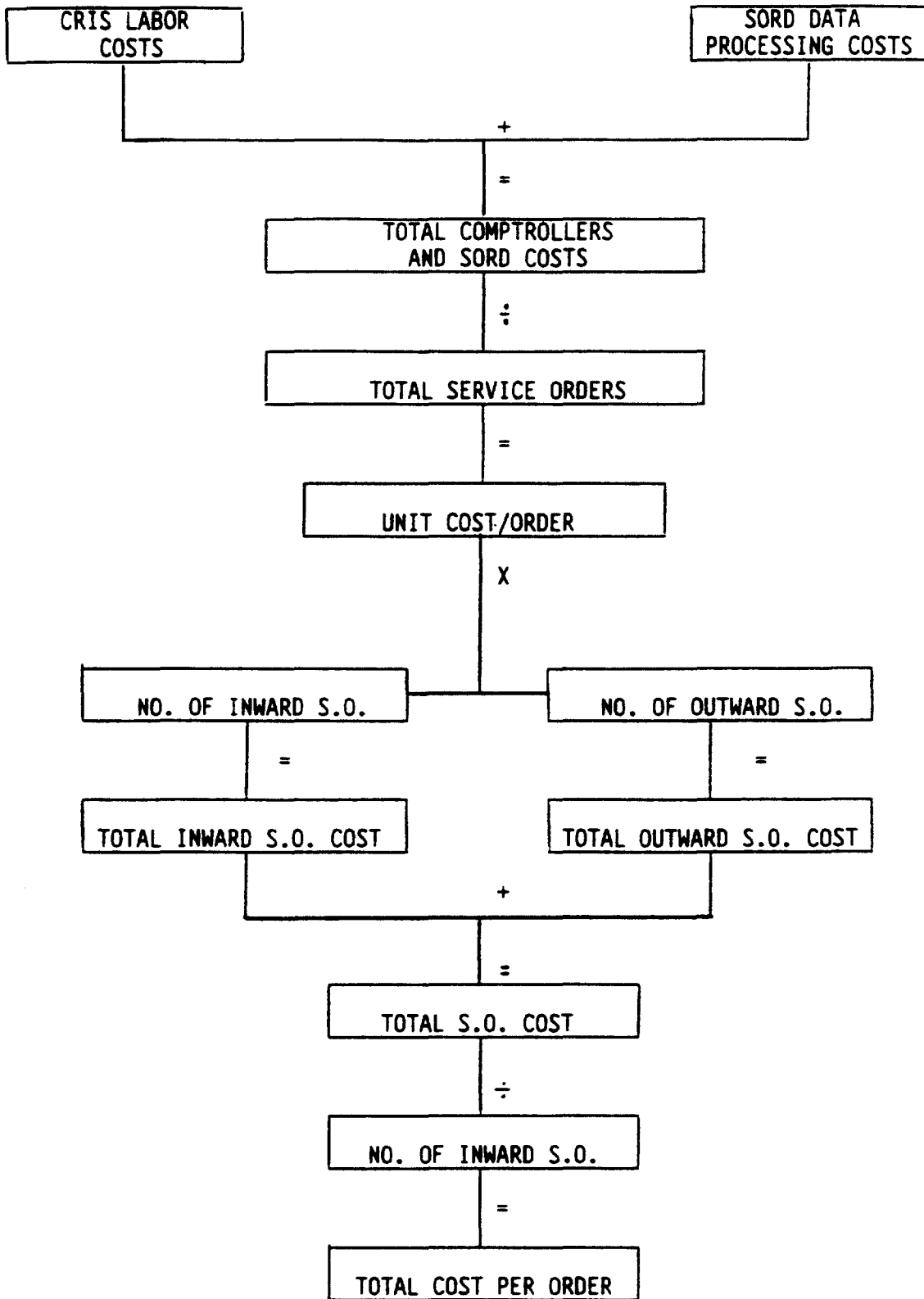
COST RESULTS SUMMAR
COMPLEX

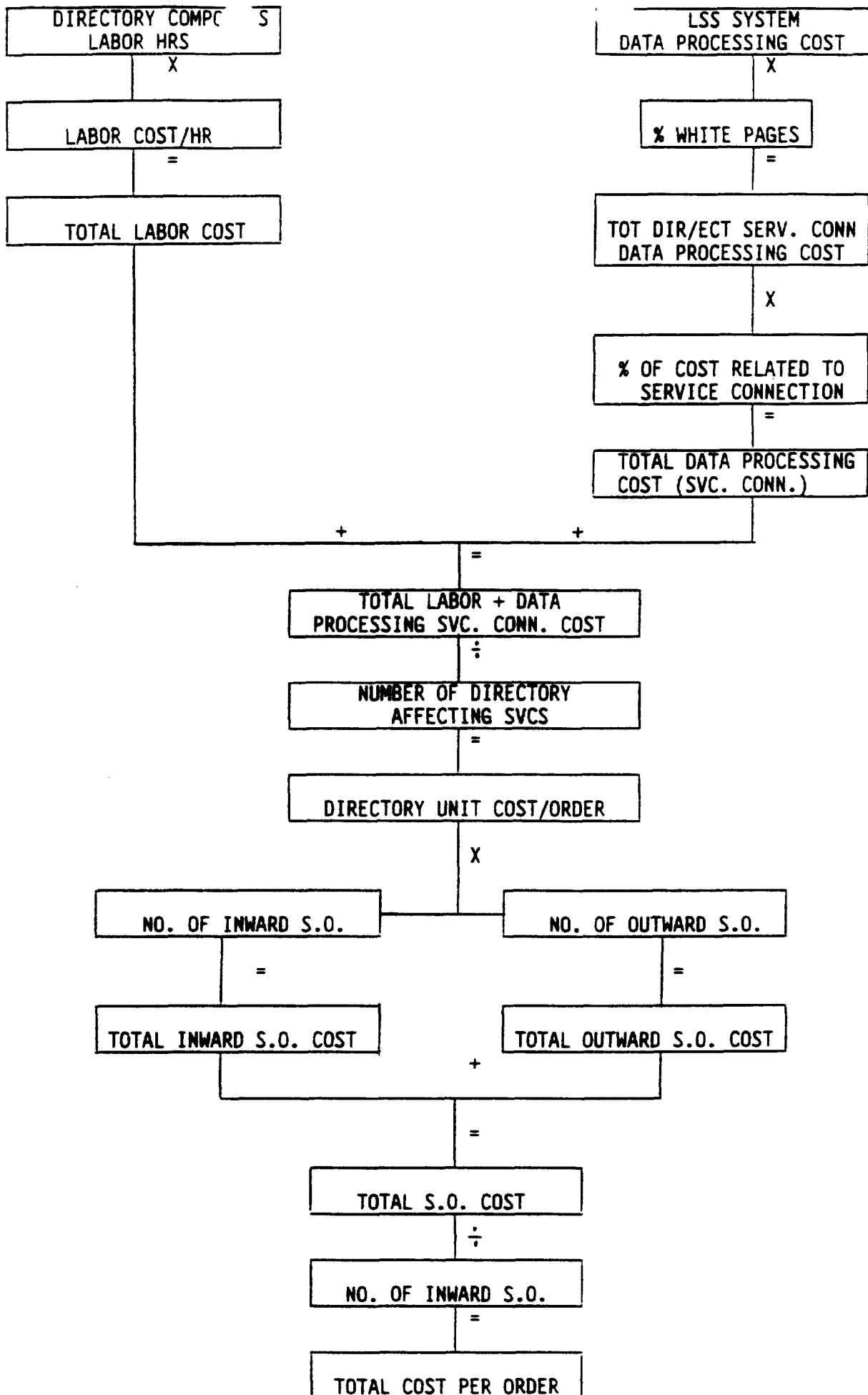
SHEET: 3 of 3
DATE: 8/89

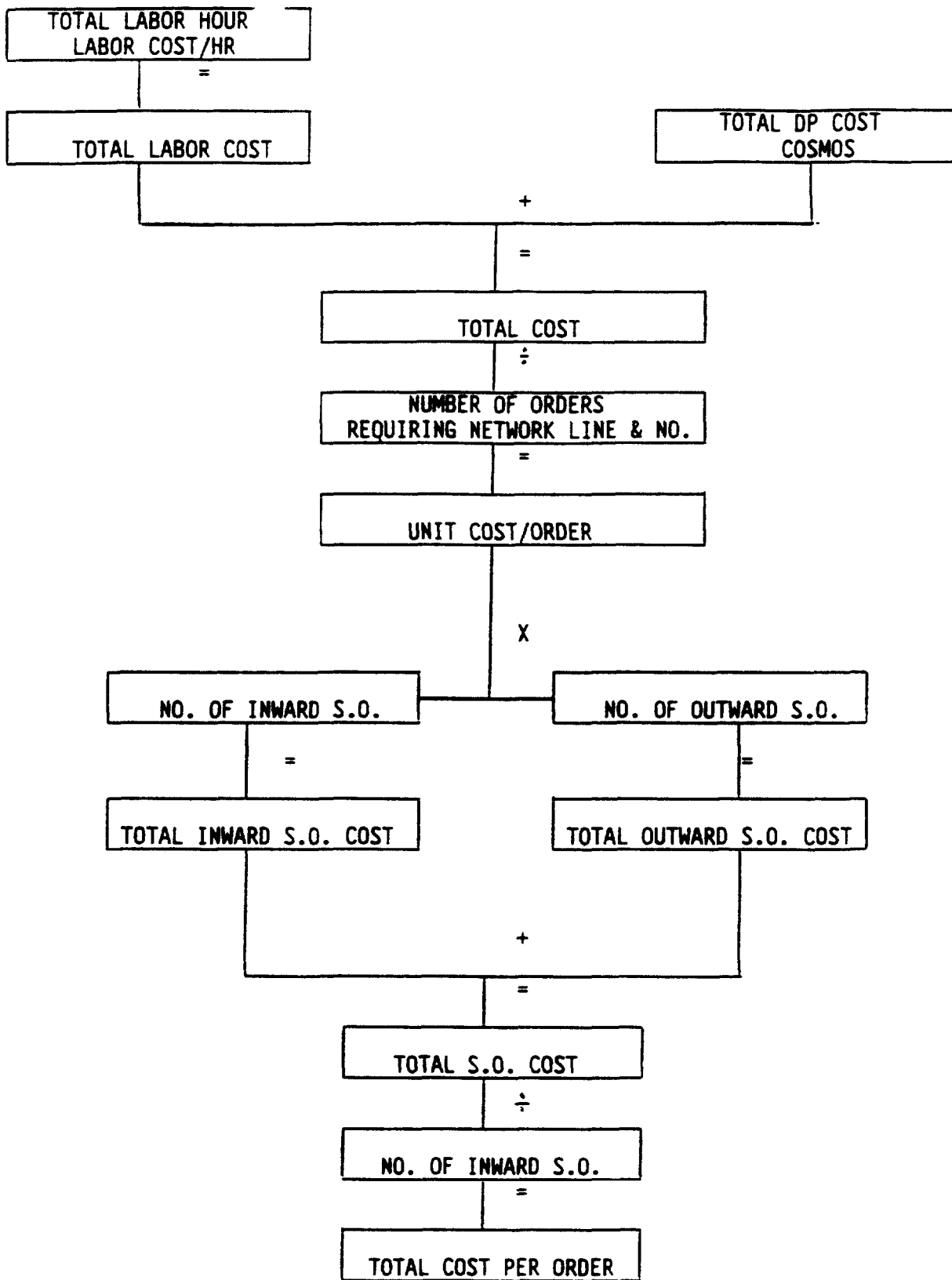
LINE	ITEM	SOURCE	AMOUNT
SERVICE ORDERING			
SERVICE CENTER			
1.	- PRIMARY	F100B, L13	\$48.10
2.	- SECONDARY	F100B, L31	\$17.96
COMPTROLLERS			
3.	- PRIMARY	F200B, L13	\$1.21
4.	- SECONDARY	F200B, L31	\$0.45
DIRECTORY WHITE PAGES			
5.	- PRIMARY	F300, L37	\$0.64
6.	- SECONDARY		--
NETWORK LINE & NO.			
7.	- PRIMARY	F500B, L13	\$3.37
8.	- SECONDARY	F500B, L31	\$1.26
ASSIGNMENT			
9.	- PRIMARY	F600B, L13	\$5.97
10.	- SECONDARY	F600B, L31	\$0.91
INTERCEPT			
11.	- PRIMARY	F700, L7	\$0.12
12.	- SECONDARY		--
13.	TRIP	F1100, L14	\$9.21
CENTRAL OFFICE ACCESS			
14.	-FIELD CROSS CONNECT/TRIP	F800, L42 + L45	\$14.01
15.	-NETWORK INTERFACE	F910, L12	\$3.36
16.	-DISPATCH	F1000, L14 + L19	\$0.10
17.	-C.O. CROSS CONNECT	F400A, PG3, COL D + F400A, PG4, COL D	\$3.86
18.	-ORDER COMPLETION	F1200, L30 + L33	\$1.87



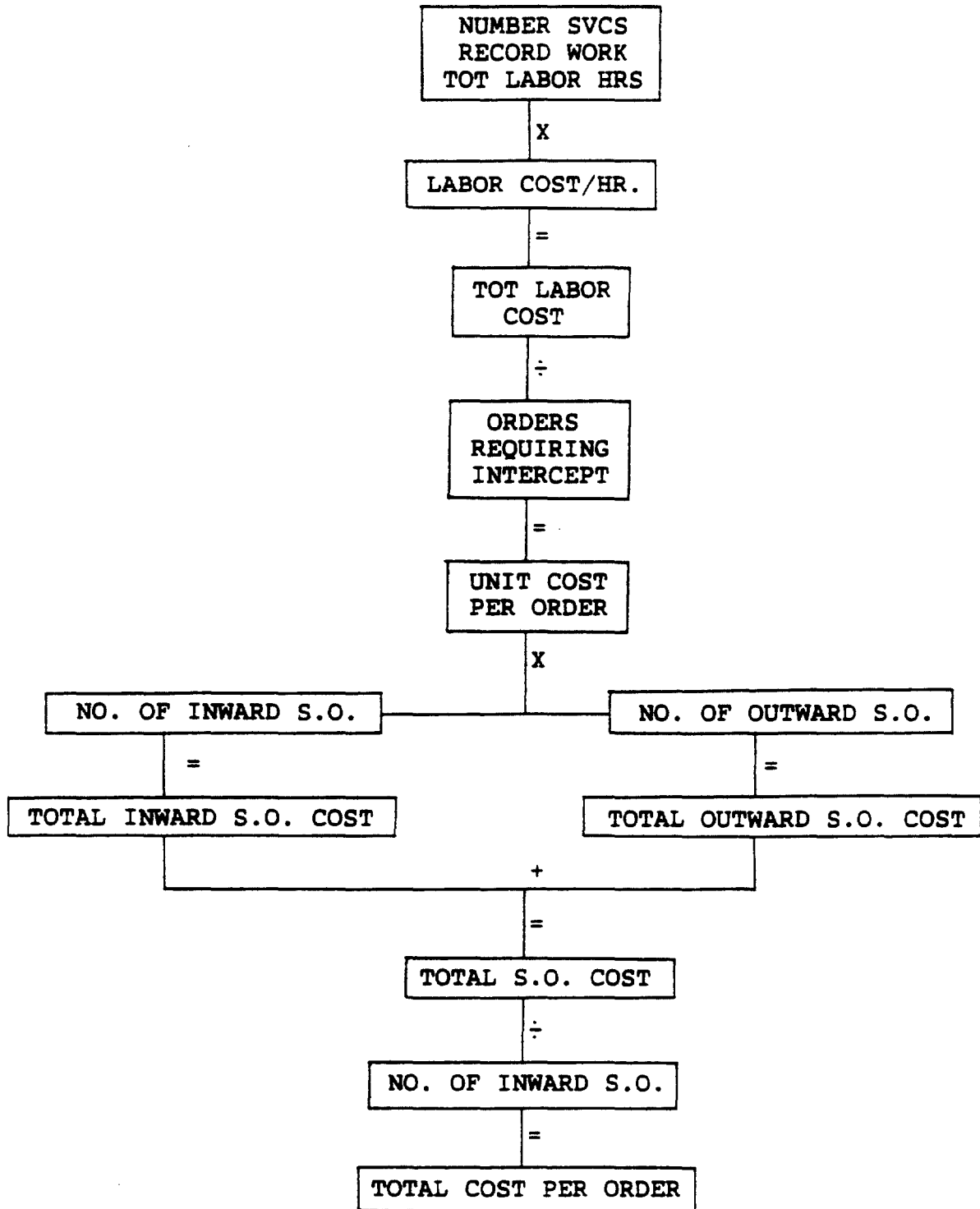
COMPTROLLERS

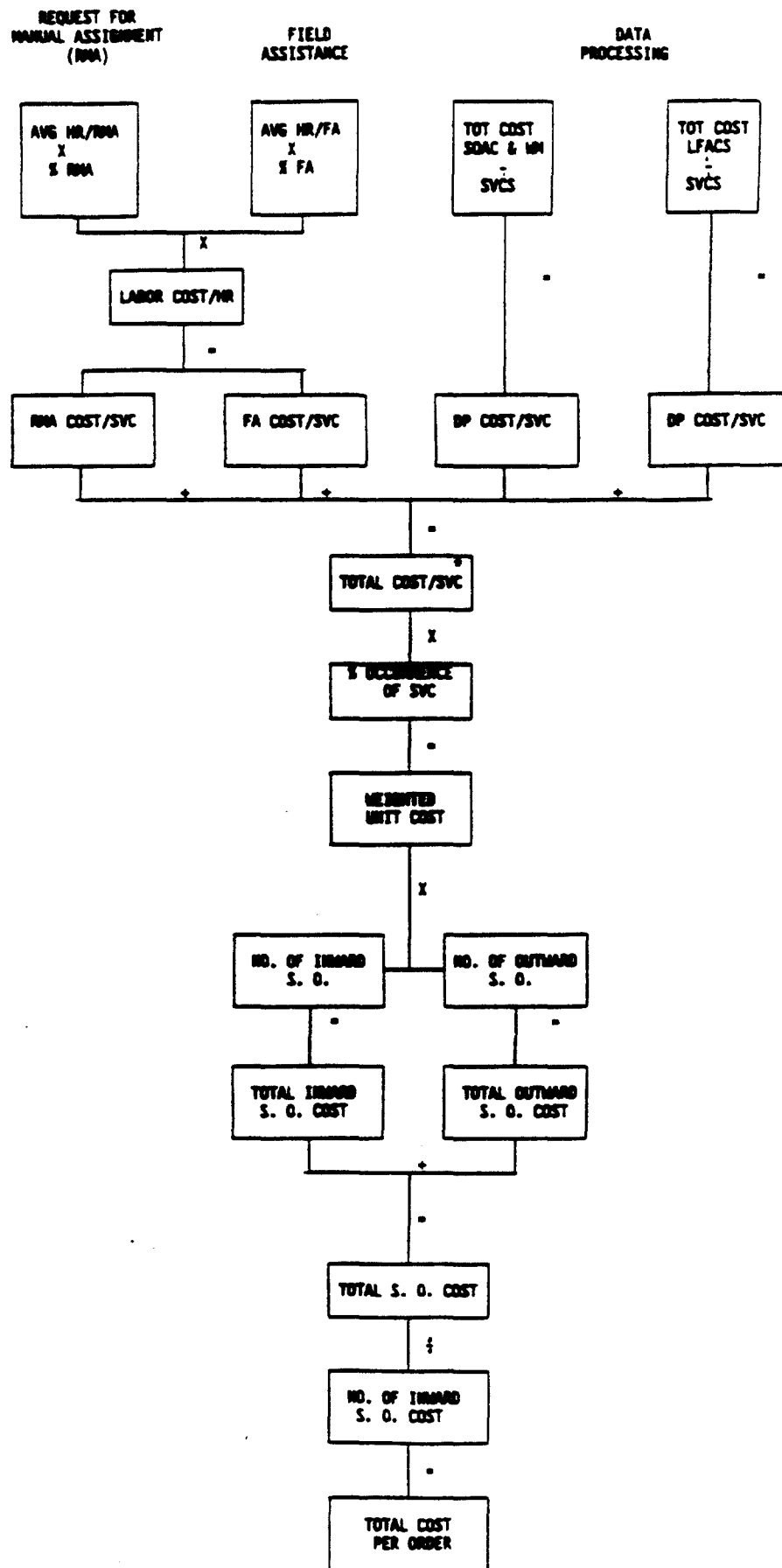






INTERCEPT





* SERVICES

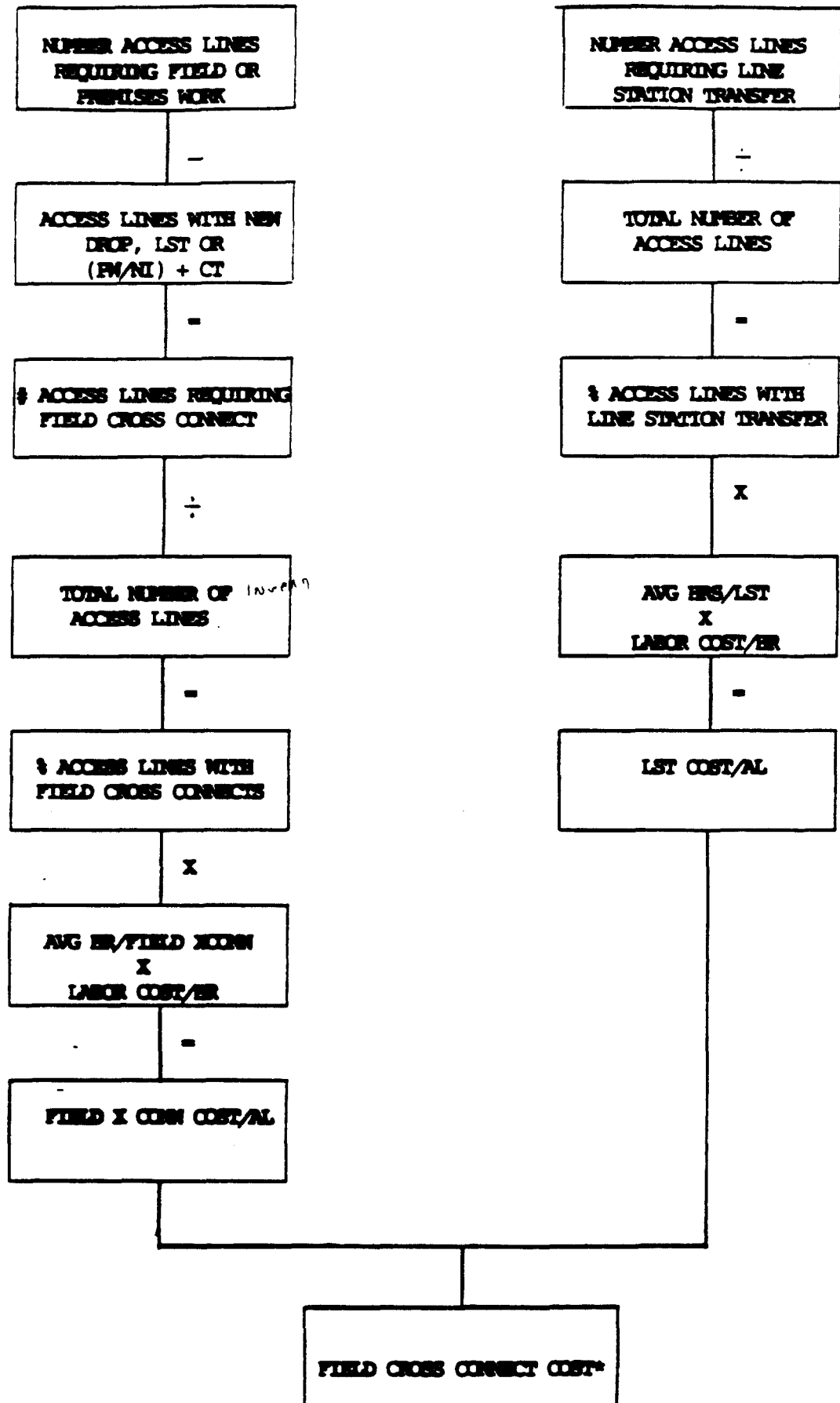
RMA: AL (1/0), ALC (1/0), ALM (1/0), CBRO, CRS, CTYP, CXC, WCS,
TD (1/0), TSR (1/0), TTH

FIELD ASSIST: AL (1/0), ALC (1/0), ALM (1/0), CBRO

DATA PROCESSING

SDAC-MN-LFACS: AL (1/0), ALC (1/0), ALM (1/0), CBRO, CRS, CTYP, WCS, TSR (1/0)

FIELD CROSS CONNECT

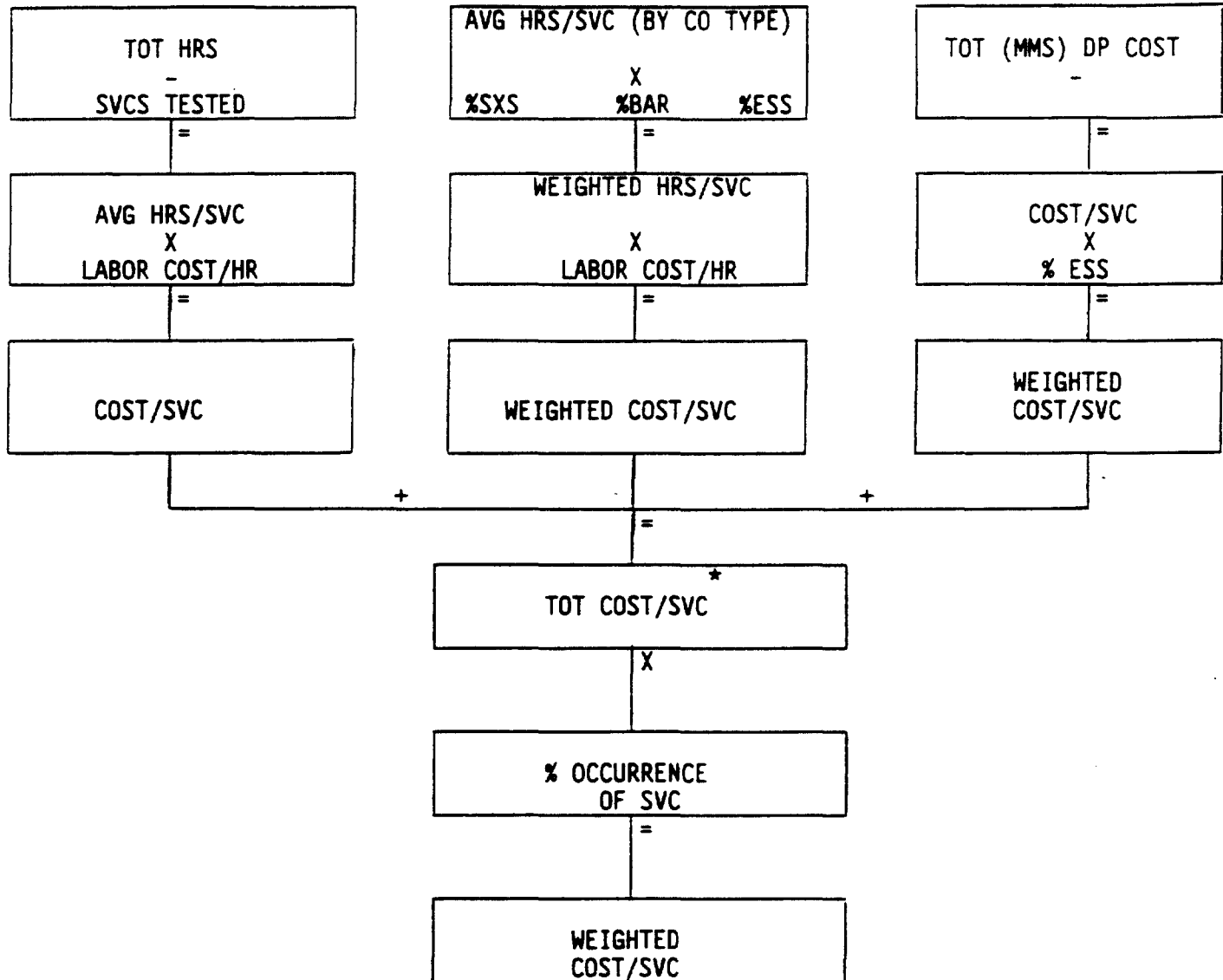


*NOTE: The outward field cross connect cost contains field cross connect cost only (no LST cost).
 (FW/NI) + CT = Access lines with dedicated facilities.

TESTING

CROSS CONNECT

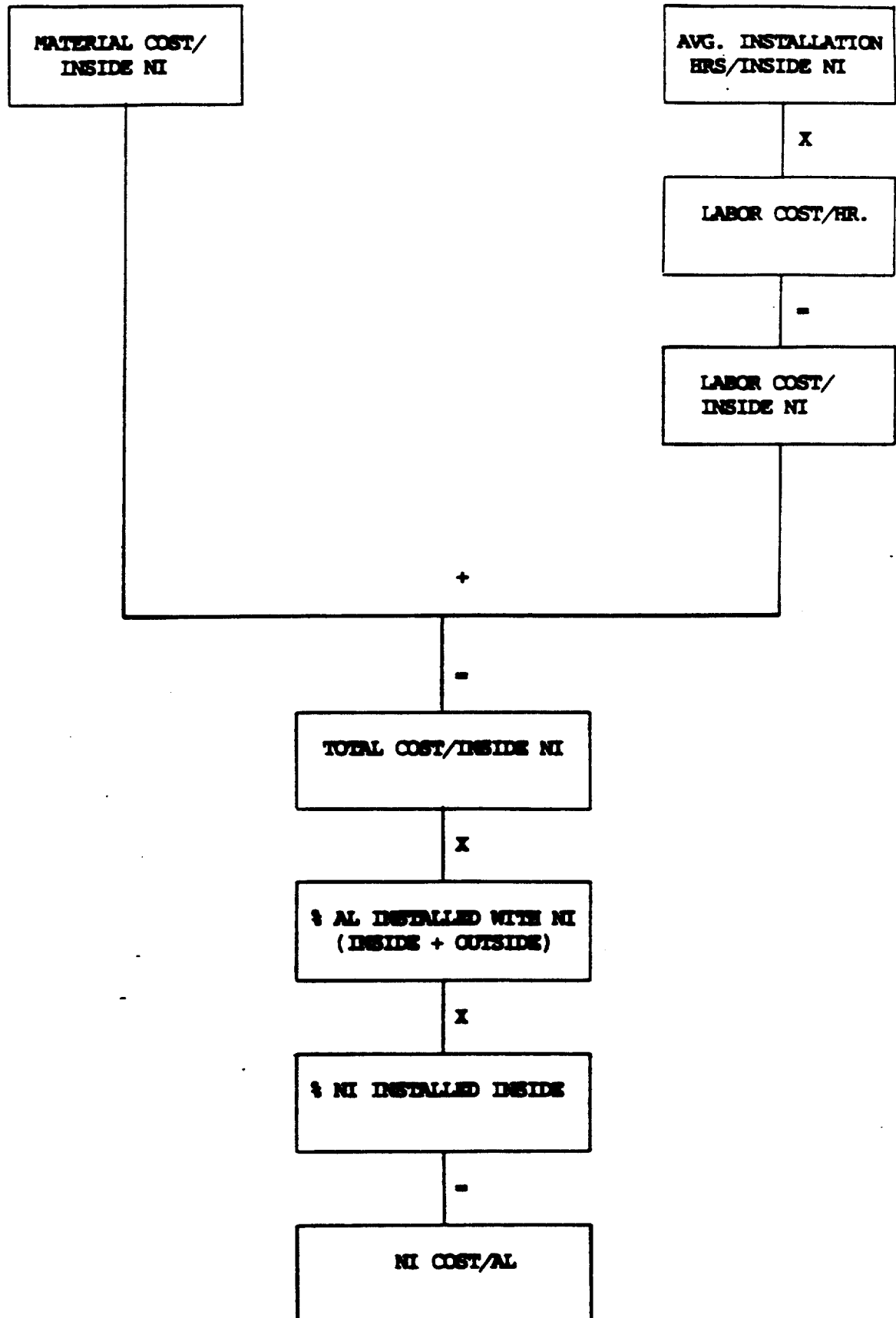
TRANSLATION



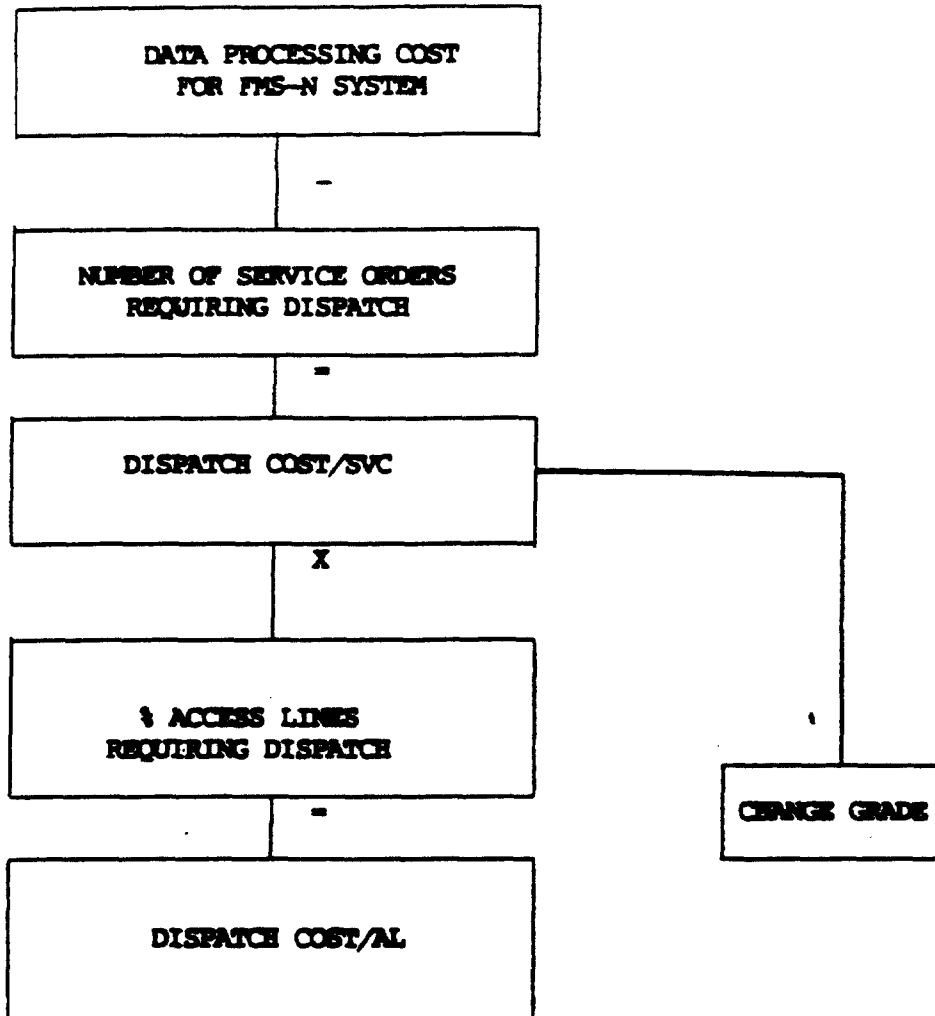
*SERVICES

TESTING: AL (I), ALM (I), TD (I/O), TSR (I/O)
 CROSS CONNECT: AL (I/O), ALM (I/O), CGRD, CRS, CTYP, CXC
 NCS, TD (I/O), TSR (I/O), TTN
 TRANSLATION: AL (I/O), ALM (I/O), CCS, CGRD, CRS, CTYP, CXC,
 NCS, TD (I/O), TSR (I/O), TTN

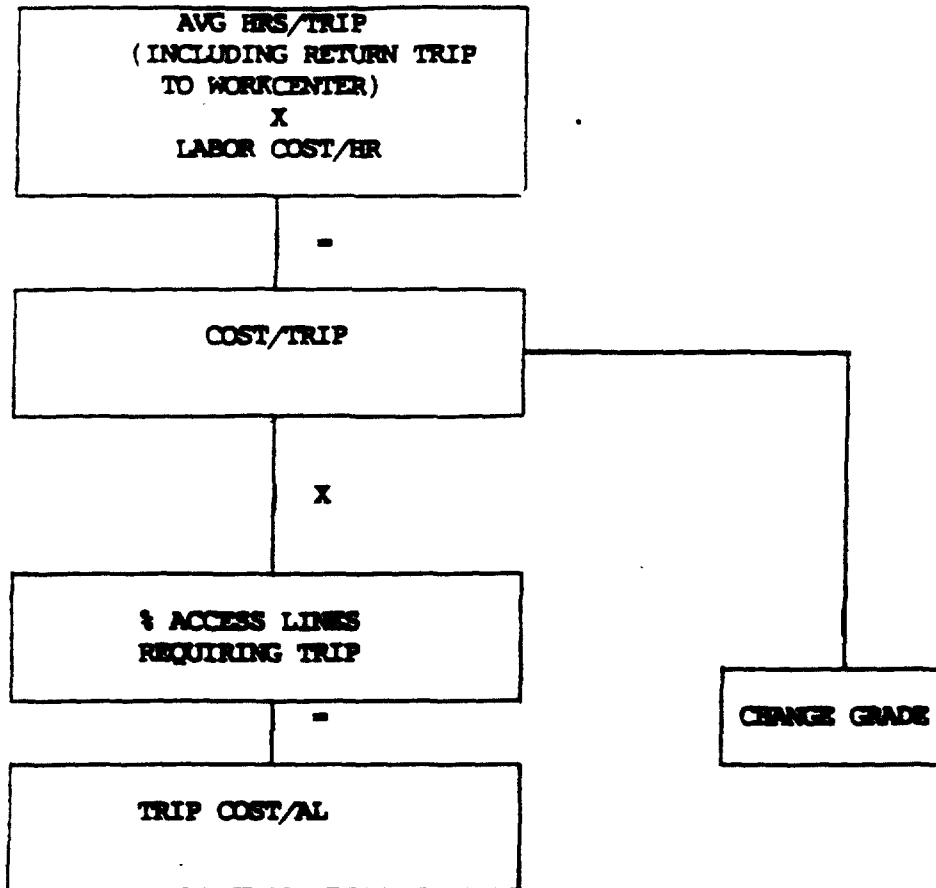
NETWORK INTERFACE



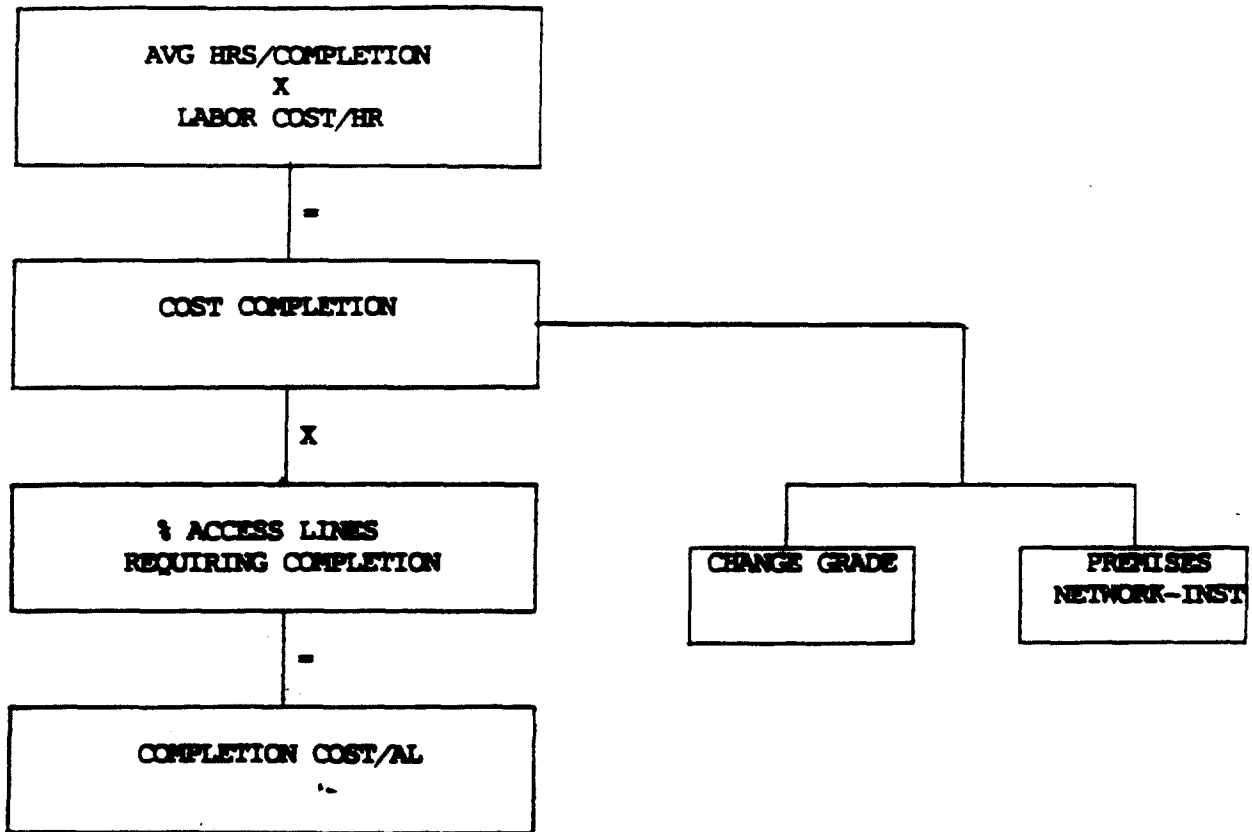
DISPATCH



TRIP



COMPLETION RECORDING



TEXAS 1991 MULTI-F'EMENT COST STUDY
SERVICE CENTER CO

FORM: 100
SHEET: 1 OF 2
DATE: 8/89

PRIMARY/SECONDARY
RESIDENCE

LINE	ITEM	SOURCE	AMOUNT
1.	-UNIT COST/ORDER	F101A, L29	\$5.32
	PRIMARY		
	NO. OF RESIDENCE		
2.	-N ORDERS	BL41 REPORT, 6/89	89,084
3.	-T ORDERS	BL41 REPORT, 6/89	68,629
4.	-D ORDERS	BL41 REPORT, 6/89	79,046
5.	-F ORDERS	BL41 REPORT, 6/89	68,762
6.	-C NO. CHG.	BL41 REPORT, 6/89	3,473
	TOTAL RESIDENCE COST		
7.	-N ORDERS	L2 X L1	\$473,927
8.	-T ORDERS	L3 X L1	\$365,106
9.	-D ORDERS	L4 X L1	\$420,525
10.	-F ORDERS	L5 X L1	\$365,814
11.	-C NO. CHG.	L6 X L1	\$18,476
12.	-TOTAL PRIMARY ORDER COST	L7+L8+L9+L10+L11	\$1,643,848
13.	RESIDENCE PRIMARY COST PER ORDER	L12/ L2+L3+L6	\$10.20
	SECONDARY		
	NO. OF RESIDENCE		
14.	-C MOVE	BL41 REPORT, 6/89	0
15.	-C CHANGE	BL41 REPORT, 6/89	139,322
16.	-C CLASS	BL41 REPORT, 6/89	186
17.	-C GRADE	BL41 REPORT, 6/89	316
18.	-C TYPE	BL41 REPORT, 6/89	2,519
19.	-C TEMP S	BL41 REPORT, 6/89	0
20.	-C TEMP R	BL41 REPORT, 6/89	316
21.	-C CUST	BL41 REPORT, 6/89	7,769
	TOTAL SECONDARY ORDER COST		
22.	-C MOVE	L14 X L1	\$0
23.	-C CHANGE	L15 X L1	\$741,193
24.	-C CLASS	L16 X L1	\$990
25.	-C GRADE	L17 X L1	\$1,681
26.	-C TYPE	L18 X L1	\$13,401
27.	-C TEMP S	L19 X L1	\$0
28.	-C TEMP R	L20 X L1	\$1,681
29.	-C MISC	L21 X L1	\$41,331

TEXAS 1991 MULTI-ELEMENT COST STUDY
SERVICE CENTER CO

FORM: 100
SHEET: 2 OF 2
DATE: 8/89

PRIMARY/SECONDARY
RESIDENCE

LINE	ITEM	SOURCE	AMOUNT
30.	TOTAL SECONDARY ORDER COST	L22 THRU L29	\$800,277
31.	RESIDENCE SECONDARY COST PER ORDER	L30/ L14 THRU L21	\$5.32

SERVICE CENTER COST

SHEET: 1 OF 2
DATE: 8/89PRIMARY/SECONDARY
STD. BUS

LINE	ITEM	SOURCE	AMOUNT
1.	-UNIT COST/ORDER	F110, L9	\$5.38
	PRIMARY		
	NO. OF STD. BUS		
2.	-N ORDERS	BL41 REPORT, 6/89	21,337
3.	-T ORDERS	BL41 REPORT, 6/89	5,841
4.	-D ORDERS	BL41 REPORT, 6/89	16,897
5.	-F ORDERS	BL41 REPORT, 6/89	5,692
6.	-C NO. CHG.	BL41 REPORT, 6/89	1,565
	TOTAL STD. BUS COST		
7.	-N ORDERS	L2 X L1	\$114,793
8.	-T ORDERS	L3 X L1	\$31,425
9.	-D ORDERS	L4 X L1	\$90,906
10.	-F ORDERS	L5 X L1	\$30,623
11.	-C NO. CHG.	L6 X L1	\$8,420
12.	-TOTAL PRIMARY ORDER COST	L7+L8+L9+L10+L11	\$276,166
13.	STD. BUS PRIMARY COST PER ORDER	L12/ L2+L3+L6	\$9.61
	SECONDARY		
	NO. OF STD. BUS		
14.	-C MOVE	BL41 REPORT, 6/89	35
15.	-C CHANGE	BL41 REPORT, 6/89	21,223
16.	-C CLASS	BL41 REPORT, 6/89	530
17.	-C GRADE	BL41 REPORT, 6/89	10
18.	-C TYPE	BL41 REPORT, 6/89	958
19.	-C TEMP S	BL41 REPORT, 6/89	0
20.	-C TEMP R	BL41 REPORT, 6/89	87
21.	-C CUST	BL41 REPORT, 6/89	3,173
	TOTAL SECONDARY ORDER COST		
22.	-C MOVE	L14 X L1	\$188
23.	-CHANGE	L15 X L1	\$114,180
24.	-C CLASS	L16 X L1	\$2,851
25.	-C GRADE	L17 X L1	\$54
26.	-C TYPE	L18 X L1	\$5,154
27.	-C TEMP S	L19 X L1	\$0
28.	-C TEMP R	L20 X L1	\$468
29.	-C MISC	L21 X L1	\$17,071

TEXAS 1991 MULTI-ELEMENT COST STUDY
SERVICE CENTER CO

FORM: 100A
SHEET: 2 OF 2
DATE: 8/89

PRIMARY/SECONDARY
STD. BUS

LINE	ITEM	SOURCE	AMOUNT
30.	TOTAL SECONDARY ORDER COST	L22 THRU L29	\$139,966
31.	STD. BUS SECONDARY COST PER ORDER	L30/ L14 THRU L21	\$5.38

COMPTROLLERS COST

FORM 100E
SHEET: 1 OF 2
DATE: 8/89

PRIMARY/SECONDARY
COMPLEX

LINE	ITEM	SOURCE	AMOUNT
1.	-UNIT COST/ORDER	F101B, L36	\$17.96
	PRIMARY		
	NO. OF COMPLEX		
2.	-N ORDERS	BL41 REPORT, 6/89	348
3.	-T ORDERS	BL41 REPORT, 6/89	161
4.	-D ORDERS	BL41 REPORT, 6/89	785
5.	-F ORDERS	BL41 REPORT, 6/89	252
6.	-C NO. CHG.	BL41 REPORT, 6/89	109
	TOTAL COMPLEX COST		
7.	-N ORDERS	L2 X L1	\$6,250
8.	-T ORDERS	L3 X L1	\$2,892
9.	-D ORDERS	L4 X L1	\$14,099
10.	-F ORDERS	L5 X L1	\$4,526
11.	-C NO. CHG.	L6 X L1	\$1,958
12.	-TOTAL PRIMARY ORDER COST	L7 THRU L11	\$29,724
13.	COMPLEX PRIMARY COST PER ORDER	L12/ L2+L3+L6	\$48.10
	SECONDARY		
	NO. OF COMPLEX		
14.	-C MOVE	BL41 REPORT, 6/89	13
15.	-C CHANGE	BL41 REPORT, 6/89	7,052
16.	-C CLASS	BL41 REPORT, 6/89	3
17.	-C GRADE	BL41 REPORT, 6/89	13
18.	-C TYPE	BL41 REPORT, 6/89	98
19.	-C TEMP S	BL41 REPORT, 6/89	0
20.	-C TEMP R	BL41 REPORT, 6/89	30
21.	-C CUST	BL41 REPORT, 6/89	739
	TOTAL SECONDARY ORDER COST		
22.	-C MOVE	L14 X L1	\$233
23.	-CHANGE	L15 X L1	\$126,654
24.	-C CLASS	L16 X L1	\$54
25.	-C GRADE	L17 X L1	\$233
26.	-C TYPE	L18 X L1	\$1,760
27.	-C TEMP S	L19 X L1	\$0
28.	-C TEMP R	L20 X L1	\$539
29.	-C MISC	L21 X L1	\$13,272